**WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET**

**Name of Correspondent:** Charles P. Percy

**Date Correspondence Received (YY/MM/DD):** 6/12/80

**Subject:** Congratulate the President on his success at the Karachi Conference.

**ROUTE TO:**

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<th>Office/Agency</th>
<th>(Staff Name)</th>
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<td>La. Evan</td>
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**ACTION**

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**DISPOSITION**

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**ACTION CODES:**

- A: Appropriate Action
- C: Comment/Recommendation
- D: Draft Response
- F: Furnish Fact Sheet to be used as Enclosure
- I: Info Copy Only/No Action Necessary
- R: Direct Reply w/Copy
- S: For Signature
- X: Interim Reply

**DISPOSITION CODES:**

- A: Answered
- B: Non-Special Referral
- C: Completed
- S: Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initial of Signer
- Code = "A"
- Completion Date = Date of Outgoing

**Comments:**

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.
RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: ___ Media: ___ Individual Codes: 1220___
Prime Subject Code: FB 006-02 Secondary Subject Codes: LB 003

PRESIDENTIAL REPLY

Code ___ Date ___ Comment ___ Form ___

C ___ Time: ______________________ P. ___

DSP ___ Time: _____________________ Media: ___

SIGNATURE CODES:

CPn - Presidential Correspondence
  n - 0 - Unknown
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L - Letter
M - Mailgram
O - Memo
P - Photo
R - Report
S - Sealed
T - Telegram
V - Telephone
X - Miscellaneous
Y - Study
December 18, 1981

Dear Chuck:

With regret for this delay, the President has asked me to thank you for your letter of November 17. It was good to hear from you and to receive your supportive remarks concerning the economic summit conference in Cancun. We appreciate your continued help and advice in working toward our mutual goals of global economic growth and security.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Charles H. Percy
Chairman
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

cc: w/copy of inc, NSC Secretariat – FYI
cc: Powell Moore – FYI

MLF:CMP:ds--
November 17, 1981

Dear Mr. President:

In the four weeks which have passed since the historic meeting at Cancun, I have had several occasions to speak with foreign visitors and resident ambassadors about that event. I have been most impressed at the uniformly positive impression you made on your foreign counterparts, even with those who lead countries with very different economic systems and foreign policy interests.

If the United States is to advance its interests in the North-South dialogue, we must strike a balance between demonstrating a sincere interest in assisting Third World countries with their development efforts, and defending the domestic and international economic policies we believe will best advance those efforts. Your opening remarks and personal participation in the meeting seems to have struck such a balance between sympathetic understanding and economic reality.

I would like to warmly congratulate you on your success at Cancun. You have set a firm footing for future United States' dealings with developing countries in international forums.

Warm regards,

Charles H. Percy
Chairman

The President
The White House
MEMORANDUM FOR:   THE PRESIDENT
FROM:    Alexander M. Haig, Jr.
SUBJECT: Your Meeting with Venezuelan President Herrera in Cancun, October 21

I.  THE SETTING

Our bilateral relations with oil rich, democratic Venezuela are at what may be an all time high. Venezuela is our principal ally on El Salvador and has extended economic and technical aid to that country and other nations of the Caribbean. It is one of the Nassau Four of the Caribbean Basin Initiative. GOV foreign policy goals in the hemisphere largely coincide with ours but have stressed the economic, social and political rather than the military dimensions of Central American and Caribbean problems.

President Herrera needs to boost his declining prestige at home. He has come under fire for economic policies leading to stagflation and for his strong stand on Caribbean Basin issues. Opposition parties charge that the GOV is acting as a U.S. surrogate. Herrera will try to strengthen his LDC leadership credentials at Cancun by insisting on positive results from the Summit. He will push for an agreement on procedures and agenda for Global Negotiations. Herrera is a friend of the U.S. The Vice President's and my recent talks with him went well.

II.  OBJECTIVES

Recognize the closeness of U.S.-Venezuelan relations, emphasizing the mutuality of our interests in the Caribbean Basin region.

Reassure Herrera that our interest in Mexican support for elections in El Salvador in no way diminishes the GOV role in that process.

(If raised) Update Herrera on the status of Venezuela's projected purchase of F-16A aircraft.

(If raised) Reiterate the U.S. position of strict neutrality on the Venezuela-Guyana border dispute.

CONFIDENTIAL
GDS 10/16/87

DECLASSIFIED
Authority: State Waiver
by JFC MARA DATE 11/15/2017
I remember this. 

[545x10] 

Sure. - now we come to the political action. I think it is a political action. Is that Cuba? (which is "muddering his own brothers")

Herera

Lifts to exist. In 60's life of subversion came from orthodox Communist newspaper groups encouraging greater human insecurity. That was part of the well-done propaganda (comes from everywhere - not just Tass). Great challenge in communism as democratic society.

[570x10] 

Yes... cause more... Communist parties have [instituted] media to disseminate misinformation. CR won't do this type of thing. 

Herera

Serious problem. Must be tackled comprehensively. Complete strategy orchestrated toward this...
III. ISSUES

1. Closeness of U.S.-Venezuelan Relations

Venezuela, one of the Nassau Four, has been cooperative on hemispheric issues. The GOV has supported Seaga in Jamaica, encouraged democratic forces in Nicaragua and taken a strong stand against Cuba. The GOV is firmly committed to achieving a political solution in El Salvador through credible elections and is helping the GOES devise a viable electoral process. It has also extended economic and technical aid to El Salvador. Herrera will make a state visit to Washington in mid-November.

2. Mexico's Role in El Salvador

We hope to involve Mexico in a constructive role in El Salvador's elections. Herrera, who regards Lopez Portillo as a rival for leadership in the hemisphere, needs reassurance that any overture to Mexico would not be at Venezuela's expense. We continue to be deeply grateful for all that Herrera has done in support of the GOES and look forward to continued cooperation.

3. (If raised) F-16A Sale

The GOV has formally submitted a request for the purchase of advanced F-16A fighter aircraft. The sale will be submitted to Congress for approval in the near future. While we do not expect significant Congressional opposition, approval is not a certainty; these aircraft have never been sold in Latin America. If approved, we expect to be able to deliver the first six aircraft before Herrera leaves office (March 1984).

4. (If raised) Venezuela-Guyana Border Dispute

In a dispute which dates back to the 16th century, Venezuela officially claims three-fifths of Guyana's national territory. A protocol which put the dispute on ice for 12 years is due to expire in 1982, and both sides have tried to line up international support. Our position is one of strict neutrality.
Nextena (cont'd)

Havana

"Negroes...

Two great democratic countries in. interests transcendent Carib. 2.

Both been encouraging countries to reach independ.

and eradicate Communism.

then, as reached independence to develop.

decentralism

began first get 2 of.

Dictatorship, 3ren
duar - e.g., C.A., Panama.

C. 45. energy comp.

W. Mexico, $760 million.

General aid 1.8-2 t 70

of GNP. (see ogc. 6)

industrialization

in.

GNP inc. 40 + B of which

7+ in help from other
countries.

Havana..."
**WHITE HOUSE**  
**CORRESPONDENCE TRACKING WORKSHEET**

- **O** - OUTGOING  
- **I** - INCOMING  
- **H** - INTERNAL

**Date Correspondence Received (YY/MM/DD):** 11/9/81

**Name of Correspondent:** Neil Shadle

**Subject:** Commends President decision to attend Cancun summit meeting and urges further rounds of negotiations to improve the relations between poor and industrialized nations

**Office/Agency (Staff Name):** PLIBLAC

**Referral Note:**

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FOR: Mr. William P. Clark  
National Security Council  
The White House

REFERENCE:

TO: President Reagan  
FROM: Neil H. Shadle

DATE: October 28, 1981  
SUBJECT: Commends President's decision to attend Cancun Summit meeting and urges further rounds of negotiations to improve the relations between poor and industrialized nations

WHITE HOUSE REFERRAL DATED: November 30, 1981  
NSC # 050215

THE ATTACHED ITEM WAS SENT DIRECTLY TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

L. Paul Bremer, III  
Executive Secretary

UNCLASSIFIED

(Classification)
Dear Mr. Shadle:

I would like to thank you for your letter to President Reagan on behalf of the Unitarian Universalist Service Committee commending his decision to attend the Cancun Summit.

The discussions at Cancun were highly productive. I believe that all leaders left Cancun with a better understanding of the problems facing others, including those problems which necessitate cooperative global efforts.

President Reagan certainly recommitted the United States to the search for peaceful solutions to global problems, and he offered a program for international cooperation based on practical and realistic principles. A copy of the President's opening statement is enclosed for your information.

The President also reaffirmed the US commitment to conduct a more formal dialogue -- bilaterally, with regional groups, in the United Nations, and in specialized international agencies. He said that the US Government would "participate in preparations for...global negotiations" provided they offer the "prospect of meaningful progress," and the President was very precise in spelling out the understandings which he believed would be necessary to ensure such progress.

Sincerely,

Robert D. Hormats

Enclosure: As stated
I am honored to be with all of you on this historic occasion. In many ways, this summit is not ours alone. It belongs to the millions who look to us for help and for hope. If they could speak to us today, I believe they might tell us that words are cheap, that cooperative action is needed—and needed now. In their name, let us join together and move forward. Let us meet the challenge of charting a strategic course for global economic growth and development for all nations.

Each of us comes to Cancun from a different domestic setting where our major responsibilities are found. My own government has devoted much of the past year to developing a plan of action to strengthen our economy. For years our government has overspent, overtaxed, and overregulated, causing our growth rates to decline and our inflation and interest rates to rise. We have taken bold measures to correct these problems, and we are confident they will succeed—not tomorrow, nor next week, but over the months and years ahead.

We believe restoring sound economic policies at home represents one of the most important contributions the United States can make to greater growth and development abroad. The actions we are taking will renew confidence in the dollar, strengthen our demand for imports, hold down inflation, reduce interest rates and the cost of borrowing, and increase resources for foreign investment.

I have also had a chance to study and discuss with various leaders the domestic problems you face. I know how diverse and serious they are. For the poorest countries, more food and energy are urgently needed, while raising productivity through education, better health and nutrition, and the acquisition of basic facilities such as roads and ports represent longer term goals.

Middle-income countries need foreign capital, technical assistance, and the development of basic skills to improve their economic climate and credit worthiness in international capital markets. The more advanced developing nations which already benefit from the international economy need increasing access to markets to sustain their development.

And across the income spectrum, many among you who are oil importers face acute financial difficulties from the large debt burdens resulting from the oil price shocks of the 1970s. High interest rates are exacerbating these problems, such that debt servicing and energy costs are making excessive claims on your foreign exchange earnings.

We recognize that each nation's approach to development should reflect its own cultural, political, and economic heritage. That is the way it should be. The great thing about our international system is that it respects diversity and promotes creativity.

Certain economic factors, of course, apply across cultural and political lines. We are mutually interdependent but, above all, we are individually responsible. We must respect both diversity and economic realities when discussing grand ideas. As I said last week in Philadelphia, we do not seek an ideological debate; we seek to build upon what we already know will work.

History demonstrates that time and again, in place after place, economic growth and human progress make their greatest strides in countries that encourage economic freedom. Government has an important role in helping develop a country's economic foundation. But the critical test is whether government is genuinely working to liberate individuals by creating incentives to work, save, invest, and succeed. Individual farmers, laborers, owners, traders, and managers—they are the heart and soul of development. Trust them. Because whenever they are allowed to create and build, wherever they are given a personal stake in deciding economic policies in benefiting from their success, then societies become more dynamic, prosperous, progressive, and free.

With sound understanding of our domestic freedom and responsibilities, we can construct effective international cooperation. Without it, no amount of international good will and action can produce prosperity. In examining our collective experience with development, let us remember that international economic institutions have also done much to improve the world economy.
Under their auspices, the benefits of international commerce have flowed increasingly to all countries. From 1950 to 1980, gross national product per capita in 60 middle-income countries increased twice as fast as in the industrial countries when real purchasing power is taken into account.

Despite the mid-1970s recession, we were able to liberalize the international trading system under the leadership of the General Agreement on Tariffs and Trade. This created new trading opportunities for a number of developed and developing countries. The International Monetary Fund remains the centerpiece of the international financial system. It has adjusted its programs and increased its resources to deal with the major pressures and problems of our era. The World Bank and other multilateral development banks have dramatically increased their resources and their overall support for development.

Much remains to be done to help low-income countries develop domestic markets and strengthen their exports. We recognize that. But we are just as convinced that the way to do this is not to weaken the very system that has served us so well but to continue working together to make it better.

I am puzzled by suspicions that the United States might ignore the developing world. The contribution America has made to development—and will continue to make—is enormous. We have provided $57 billion to the developing countries in the last decade—$43 billion in development assistance and $14 billion in contributions to the multilateral development banks. Each year, the United States provides more food assistance to developing nations than all other nations combined. Last year we extended almost twice as much official development assistance as any other nation.

Even more significant is the U.S. contribution in trade. Far too little world attention has been given to the importance of trade as a key to development. The United States absorbs about one-half of all manufactured goods that non-OPEC developing countries export to the industrialized world, even though our market is only one-third the total industrialized world market. Last year alone, we imported $60 billion worth of goods from non-OPEC developing countries. That is more than twice the official development assistance from all OECD [Organization for Economic Cooperation and Development] countries. Our trade and capital markets are among the most open in the world.

The range and breadth of America's commitment extend far beyond concessional assistance. We believe in promoting development by maximizing every asset we have. As the world's largest single market, we can be a powerful conductor for economic progress and well-being. We come to Cancun offering our hand in friendship as your partner in prosperity. Together, we can identify the roadblocks to development and devise the best ways to stimulate greater growth everywhere we can. We have yet to unleash the full potential for growth in a world of open markets.

The United States is here to listen and learn. And when we leave Cancun, our search for progress will continue. The dialogue will go on. The bonds of our common resolve will not disappear with our jet trails. We are prepared to carry out the commitment in the Ottawa summit declaration to conduct a more formal dialogue—bilaterally, with regional groups, in the United Nations, and in specialized international agencies. We take seriously the commitment at Ottawa “to participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress.”

It is our view that “circumstances offering the prospect of meaningful progress” are future talks based upon four essential understandings among the participants:

- The talks should have a practical orientation toward identifying, on a case-by-case basis, specific potential for or obstacles to development which cooperative efforts may enhance or remove. We will suggest an agenda composed of trade liberalization, energy and food resource development, and improvement in the investment climate.
- The talks should respect the competence, functions, and powers of the specialized international agencies upon which we all depend with the understanding that the decisions reached by these agencies within respective areas of competence are final. We should not seek to create new institutions.
- The general orientation of the talks must be toward sustaining or achieving greater levels of mutually beneficial international growth and development, taking into account domestic economic policies.
- The talks should take place in an atmosphere of cooperative spirit similar to that which has brought us together in Cancun—rather than one in which views become polarized and chances for agreement are needlessly sacrificed.

If these understandings are accepted, then the United States would be willing to engage in a new preparatory process to see what may be achieved. I suggest that officials of our governments informally confer in the months ahead as to appropriate procedures.

But our main purpose in coming to Cancun is to focus on specific questions of substance, not procedural matters. In this spirit, we bring a positive program of action for development concentrated around these principles:

- Stimulating international trade by opening up markets, both within individual countries and among countries;
- Tailoring particular development strategies to the specific needs and potential of individual countries and regions;
- Guiding our assistance toward the development of self-sustaining productive activities, particularly in food and energy;
- Improving the climate for private capital flows, particularly private investment;
- And creating a political atmosphere in which practical solutions can move forward, rather than founder on a reef of misguided policies that restrain and interfere with the international marketplace or foster inflation.

In our conversations, we will be elaborating on the specifics of this program. The program deals not in flashy new gimmicks but in substantive fundamentals with a track record of success. It rests on a coherent view of what's essential to development—namely political freedom and economic opportunity.

Yes, we believe in freedom. We know it works. It's just as exciting, successful, and revolutionary today as it was 200 years ago.

I want to thank our hosts for arranging this historic opportunity. Let us join together and proceed together. Economic development is an exercise in mutual cooperation for the common good. We can and must grasp this opportunity for our people and together take a step for mankind.
THE WHITE HOUSE OFFICE

REFERRAL

NOVEMBER 30, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 050215
MEDIA: LETTER, DATED NOVEMBER 28, 1981
TO: PRESIDENT REAGAN
FROM: MR. NEIL SHANDLE
PRESIDENT
UNITARIAN UNIVERSALIST SERVICE
COMMITTEE
78 BEACON STREET
BOSTON MA 02108

SUBJECT: COMMENDS PRESIDENT DECISION TO ATTEND CANCUN SUMMIT MEETING AND URGES FURTHER ROUNDS OF NEGOTIATIONS TO IMPROVE THE RELATIONS BETWEEN POOR AND INDUSTRIALIZED NATIONS

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE
October 28, 1981

Ronald Reagan, President of the United States
The White House
Washington, D.C. 20025

Dear Mr. President:

I write on behalf of the Board of Directors of the Unitarian Universalist Service Committee, a non-sectarian body devoted to service and social change in the United States and overseas.

We wish to commend your decision to attend the summit meeting on Cooperation and Development in Cancun, Mexico this past week. We fully understand that this was not a meeting at which hard negotiations of complex issues could be undertaken or resolved. Nevertheless, such a meeting offers a unique opportunity for you and other world leaders to explore the issues which separate those nations which are poor and developing from those which are rich and industrialized. We certainly need not tell you that the disparities between rich and poor nations contribute both to a world economic crisis and to instability that affects the security of the entire globe as well as our own national interest.

While we have no ready solution to these complex problems, we hope that the Cancun Summit Meeting was only the beginning of a continuing dialog that will lead to a resumption of a Global Round of Negotiations. We further hope that you have re-committed our nation to the search for peaceful solutions to world problems. There is, of course, no guarantee that negotiations will be successful. But, the process is necessary for resolving, as we ultimately must, conflicts of interests in a world where inter-dependence has become a necessity.

We believe that there are practical as well as moral reasons for the United States to assume leadership in a cooperative effort to reduce tensions and build a prosperous and more stable world community. Both developing and industrialized nations need stability for their economic development and social well being. Wide spread hunger and poverty, scarcity of energy and other non-renewable resources, environmental hazards, the use of seas and outer space, international terrorism and abuse of human rights, are global problems that generate instability and threaten security. Thus, our own security and national interest must be seen and acted upon in a broader context than East-West confrontation and military preparedness.
It is our conviction that we can best assert our leadership and keep faith with our own democratic traditions by approaching common world problems in a spirit of cooperation and mutual support and by recognizing that a more stable and prosperous world will depend upon the achievement of greater justice for all.

Sincerely yours,

Neil H. Shadle, President
Unitarian Universalist Service Committee
**WHITE HOUSE**
**CORRESPONDENCE TRACKING WORKSHEET**

- **O** - OUTGOING
- **H** - INTERNAL
- **I** - INCOMING

**Date Correspondence Received** (YY/MM/DD): 2/1/03

**Name of Correspondent:** James M. Garrison

**Subject:** Views on developing countries & Caucaus Summit

**Route To:** Office/Agency (Staff Name)

**Action**
- **ORIGINATOR**
- **Referral Note:**
  - 9/9 AID

**Disposition**
- **Type of Response**
  - **A** • Answered
  - **B** • Non-Special Referral
  - **C** • Completed
  - **S** • Suspended

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Mr. James M. Garrison  
Founder and Former Co-Chairman  
International Committee for Developing Countries  
334 Wye Mill Court  
Gaithersburg, Maryland  20879

Dear Mr. Garrison:

The White House and the Director of the International Development Cooperation Agency (IDCA) have asked me to reply to your letter of October 31. Since it raises several interesting issues about the nature of development problems in the Third World and about the role which the U.S. can play in assisting developing nations to solve the problems they face, I am happy to do so.

I would like to respond in particular to two of the issues which you note. The first is the importance of developing countries establishing and maintaining their agricultural bases. The second has to do with minimizing agricultural trade restrictions and expanding inter-state trade.

As the primary organization dealing with U.S. bilateral assistance, the Agency for International Development (AID) allocates to the food and agricultural sector just over half of its development resources. AID is well aware that population pressure on land and rising demands for food make it imperative that agricultural problems receive the highest priority. AID's policy objectives in this sector are clear: (1) to help the developing countries to increase their capacity to expand and distribute food supplies to alleviate hunger and malnutrition and (2) to increase the participation of poor people in the process and benefits of development. These objectives are premised both on development of the capacity to produce and ability to trade agricultural commodities, in the process providing both food and employment for the majority of the people in developing countries. The kinds of agricultural projects supported by AID provide assistance specifically: in planning and policy analysis; in agricultural research, extension, and training; in investments in infrastructure and service delivery systems; in employment generation, particularly in agro-industries; and in expansion of credit and agricultural input supplies.

Most agriculture and rural development projects are both developed and monitored by AID Missions located in approximately sixty countries. The decentralized approach to project development and management used by AID helps to ensure that project designs are well-suited to the local policy environment and to the local institutional and personnel situation. However, where regional efforts seem more appropriate -- as in launching a river basin development plan or in formulating a multi-nation food buffer stock system -- AID can and does support such efforts. Further, where global initiatives are required -- as in support for agricultural research on widely-grown crops -- AID can and does support such initiatives.
The effectiveness of agricultural projects in meeting their stated objectives is always a major concern and one which AID attempts to address in a number of ways. Recent assessments of the situation have persuaded us that, in some cases, improved effectiveness is contingent upon policy reform; without incentive prices for output, for example, convincing farmers to increase investments in their agricultural operations is an impossible task. In other cases, improved effectiveness is dependent upon substantially increased local capacity to plan and to follow through on development activities. In still others, new knowledge is required: research, training, and better evaluation of prior projects.

Presently, AID is taking additional steps to address these concerns through increased policy dialogue, renewed attention to the development of human and institutional capacity, and improved economic analysis in project design. Without such steps, we feel, the long-term productivity of the agricultural sectors in developing countries is at stake.

Similarly, the reduction of domestic and international trade barriers is, as you point out, a critical element in the long-term development prospects of the developing world. The removal of trade barriers, both tariff and non-tariff, permits increased efficiency through specialization and competition. Actions to protect domestic producers or consumers on the other hand have time and again proven to be extremely costly to the country imposing the barriers; with price distortions, inefficiency, reduced growth and poor trade performance the result. Agriculture in particular has often been seriously affected by policy measures, both domestic and international, which have aimed at promoting industrialization or agricultural self-sufficiency through the protection of domestic producers or consumers.

The U.S. has long supported efforts aimed at the reduction of international trade barriers and has encouraged the increased involvement of the developing countries in the international economy, including their participation in the GATT. The U.S. has also supported specific efforts by the developing countries to reduce barriers between themselves where such actions are economically sound and do not result in increased barriers to non-participants. Whether a significant reduction in trade barriers among developing countries, particularly in the area of agricultural trade, can realistically be expected remains an open question.

It is, however, one which you can be assured we will be keeping in view in the coming years.

Sincerely yours,

Larry Smucker
Acting Deputy Assistant Administrator
for Program and Policy
TO: AGENCY FOR INTERNATIONAL DEVELOPMENT

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 050546
MEDIA: LETTER, DATED OCTOBER 31, 1981
TO: PRESIDENT REAGAN
FROM: MR. JAMES M. GARRISON
334 WYE MILL COURT
GAITHERSBURG MD 20879
SUBJECT: VIEWS REGARDING DEVELOPING COUNTRIES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE (OR DRAFT) TO:
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE
The President
The White House
Washington, D.C. 20500

October 31, 1981

Dear Mr. President:

It was with great interest that I monitored the activities and conclusions resulting from your summit meeting in Cancun, Mexico. My interest in these events result from my work with Third World Countries.

In 1973, by invitation from the Algerian Government, I chaired the First Symposium on System Approaches for Development of Third World Countries. During the proceedings I was astonished at the lack of understanding exhibited by delegates of industrial countries with respect to Third World problems. Several working sessions with Third World delegates confirmed that the real problems of developing countries were grossly misunderstood. In my speech on the conclusions resulting from the symposium, I emphasized this lack of understanding and recommended that an International Committee for Developing Countries be organized to identify and solve the real issues confronting the Third World. This proposal was adopted by the majority of the delegates, and myself and a fellow colleague, Dr. Henri Apter, were nominated as co-chairmen.

I prepared the policy, objectives, and operations criteria for the committee with emphasis on the following primary problem categories: planning, organization, integration, and maintaining a measurement media. In addition, specific emphasis was proportioned to establishing and maintaining a program for an agricultural base on which to develop industrial programs, and developing and maintaining trade agreements between countries in support of agricultural economies.

The most important issue confronting developing countries is the complete lack of ability to plan and interrelate those plans to development objectives. In my correspondence with the World Bank, the United Nations and other international organizations, I criticized loans made to developing countries without a plan identifying sequential program objectives that would govern incremental loan amounts when the objectives were met. In this process, Mr. President, I pounded a few tables and, I believe, frightened a few officials. However, I was firmly convinced that industrial nation policies toward developing countries lacked sufficient, realistic planning, and the result was undermining their stability and capability.
One of the primary objectives of the International Committee for Developing Countries was to transfer the chairmanship and the committee to a Third World Government when the committee became self-sufficient. This objective was met in 1980. The General Organization for Industrialization, Ministry of Industry and Mineral Wealth, Republic of Egypt accepted the committee responsibility to continue identifying and resolving Third World problems. Enclosed is The General Organization for Industrialization announcement of the Second International Conference on Technology Development. A glance at the working session topics will indicate that some of the real problems confronting developing countries are now being addressed.

In conclusion, Mr. President, I partially disagree with your viewpoint that developing countries should attempt to follow a similar course of development associated with our early American colonization. Our development was supported by a natural evolution and reinforced by expansion. First, an agricultural base was established and maintained, and on this base was built an industrial revolution. This industrial revolution was followed by our present technological revolution. Interrelated with this process was a land expansion that promoted and expanded our agricultural base. Our great plains, protected by the western mountains and supplied by great rivers, is an agricultural base that is not duplicated anywhere in the world.

Many times I have heard developing country officials state, "We want to be like the United States". Mr. President, these countries cannot be like the United States. The key word is "United". To better understand developing country problems I have conducted an analysis of the United States development progress. In this analysis I isolated one state and hypothesized this state as an independent country. I then projected the capability of this state to maintain itself as an independent country. Within ten years the state's economy was similar to that of a present day Third World Country. It was barely able to maintain an independent economy. Isolating this one state from the other states suppressed its capability to maintain the original standard of living. The agricultural base was eroded and could not support the development of industry.

What is needed, Mr. President, is to emphasize a policy that developing countries should not isolate themselves because of their political independence. To survive they must be interdependent. We should first propose federations for agricultural trade agreements between these countries. Second, we should teach them how to plan and organize their agricultural base with emphasis on minimizing agricultural trade restrictions. Once the agricultural base is established and maintained, industrial development will evolve naturally. Industrial investment and loan guarantees will be based on stability, not on a frail and unplanned projection of development potential.
The President

Mr. President, the United States can lead in this effort. The result will be a benefit to all mankind, and, in addition, it will more than emphasize our ability as leader of the free world.

Yours respectfully,

James M. Garrison
Founder and Former Co-chairman,
International Committee for Developing Countries

Enclosure
**WHITE HOUSE**
**COUNSELLOR'S OFFICE TRACKING WORKSHEET**

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**Name of Correspondent:** Roberto C. Goizueta

**CN Mail Report**

**User Codes:** (A) _______ (B) _______ (C) _______

**Subject:** Letter to EM re some reactions and viewpoints which Goizueta's associates from various Latin American countries have heard regarding the recent Summit Meeting in Canada, Mexico.

**ROUTE TO:**

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**Referral Note:**

For signature of Edwin Meese III

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

**Comments:** NSC 81/07/034

**Keep this worksheet attached to the original incoming letter.**

**Send all routing updates to Central Reference (Room 75, OEOB).**

**Always return completed correspondence record to Central Files.**

**Refer questions about the correspondence tracking system to Central Reference, ext. 2590.**

11/81
**RECORDS MANAGEMENT ONLY**

**CLASSIFICATION SECTION**

No. of Additional Correspondents: _____  
Media: L  
Individual Codes: 4.200

Prime Subject Code: FO 006.02  
Secondary Subject Codes: PB 016.07

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**PRESIDENTIAL REPLY**

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  - n - 2: Ronald Reagan  
  - n - 3: Ron  
  - n - 4: Dutch  
  - n - 5: Ron Reagan  
  - n - 6: Ronald  
  - n - 7: Ronnie

- **CLn** - First Lady's Correspondence  
  - n - 0: Unknown  
  - n - 1: Nancy Reagan  
  - n - 2: Nancy  
  - n - 3: Mrs. Ronald Reagan

- **CBn** - Presidential & First Lady's Correspondence  
  - n - 1: Ronald Reagan - Nancy Reagan  
  - n - 2: Ron - Nancy

**MEDIA CODES:**

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- C - Copy  
- D - Official document  
- G - Message  
- H - Handcarried  
- L - Letter  
- M - Mallgram  
- O - Memo  
- P - Photo  
- R - Report  
- S - Sealed  
- T - Telegram  
- V - Telephone  
- X - Miscellaneous  
- Y - Study
MEMORANDUM FOR EDWIN MEEOE III

FROM: WILLIAM P. CLARK

SUBJECT: Proposed Reply to Letter from the Chairman of Coca-Cola

Robert C. Goizueta, Chairman and Chief Executive Officer of Coca-Cola Company, wrote you about the Cancun Summit meeting last year (Tab B). State has forwarded a reply for signature by anyone in the White House (Tab A). You should probably sign it; you were the addressee, although it was passed to you by Powell Moore's office.

RECOMMENDATION: That you sign the letter at Tab A.

_________ APPROVE __________ DISAPPROVE

Attachments

Tab A Reply to Goizueta
B Letter from Goizueta
Dear Roberto:

I would like to thank you for your letter sharing some reactions and viewpoints concerning the President's participation in the Cancun Summit, which your associates acquired in various Latin American countries. We always welcome feedback on events involving the President. In this case, we are pleased because many of the reactions you reported indicate that a wide audience in Latin America correctly heard what the President had to say at Cancun and were impressed by the way in which he said it.

While respecting the confidentiality of your letter, I thought it would be worthwhile to have the State Department comment on the specific points before writing to you. The Department had comments in two areas: the promotion abroad of free enterprise and US relations with Latin America.

The Department points out that free enterprise is a constant theme of US foreign policy. In his opening statement at Cancun and in his speech to the World Affairs Council of Philadelphia a week before Cancun, the President strongly endorsed personal economic freedom and emphasized the importance of free markets. He cited improvement of the climate for private capital flows as one of the five most important strategic principles which guide our policy and can lead to a cooperative strategy for global growth.

This Administration is dedicated to the promotion of free enterprise and the market system and, as you know, has taken a series of steps to implement this approach. More needs to be done, however, and the Department of State took note of your remark on the need for an "advertising campaign." I am sure that State and other departments of government would be interested to learn more precisely what you believe could be done in this regard. If you would be willing to expand on this point, I suggest that you write Mr. Robert D. Hormats, Assistant Secretary of State for Economic and Business Affairs, Department of State, Washington, D.C. 20520.

As for US relations with Latin America, this Administration is addressing the real problems in this area -- whether economic, or strategic, or human rights -- in a framework of
a sustained search to develop constructive, reliable relationships. The President has given special attention to the problems of the Caribbean Basin countries and will shortly announce a comprehensive program to promote the economic development and security of these countries.

In a word, we are natural friends and allies with our neighbors in this hemisphere. This fact has been the basic point of departure for this Administration's policy.

Once again, I appreciate the time you took to send me your reflections on our policies at Cancun. We appreciate the support you are providing and look forward to working with you and other concerned American businessmen in sustaining the President's initiative toward developing countries.

Sincerely,

EDWIN MEESE III  
Counsellor to the President

Mr. Roberto C. Goizueta  
Chairman of the Board and  
Chief Executive Officer  
The Coca-Cola Company  
P.O. Drawer 1734  
Atlanta, Georgia 30301
MEMORANDUM FOR: STATE SECRETARIAT
DEPARTMENT OF STATE

DOCUMENT DESCRIPTION: TO: MEESE, E
SOURCE: GOIZUETA, ROBERTO C
DATE: 18 NOV 81

SUBJ: REACTIONS & VIEWPOINTS FM LATIN AMERICAN COUNTRIES RE CUN SUMMIT

REQUIRED ACTION: DRAFT REPLY FOR WH SIG

DUE DATE: 11 DEC 81

COMMENTS:

FOR INFO NAU

TYSON

FONTAINE

F

D HW C
MEMORANDUM

NATIONAL SECURITY COUNCIL

February 4, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: HENRY R. NAAL

SUBJECT: Proposed Reply to Letter from the Chairman of Coca-Cola

Roberto C. Goizueta, Chairman and Chief Executive Officer of Coca-Cola Company, wrote Mr. Meese about the Cancun Summit meeting last year (Tab B). State has forwarded a reply for signature by anyone in the White House (Tab A). Mr. Meese should probably sign it. He is the addressee even though the letter was passed to him by Powell Moore.

RECOMMENDATION: That you sign the memo at Tab I forwarding the reply to Mr. Meese for his signature.

APPROVE

DISAPPROVE

Attachments

Tab I Memo to Meese
A Reply to Goizueta
B Letter to Meese from Goizueta
January 26, 1982

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSE

Subject: Proposed reply to Letter to Mr. Meese from Roberto C. Goizueta, Chairman of Coca-Cola

Attached is a proposed reply to a letter to Mr. Meese from Roberto C. Goizueta, Chairman and Chief Executive Officer of the Coca-Cola Company. As requested, the reply has been drafted for signature by anyone in the White House. In view, however, of the attached memorandum from Judi Diamond, it might be appropriate for Mr. Meese or Mr. Moore to sign the reply, in which case it should be appropriately modified.

L. Paul Bremer, III
Executive Secretary

Attachment:
As stated
TO: FLO RANDOLPH
FROM: JUDI DIAMOND
Office of Legislative Affairs (Senate)
SUBJECT: Letter for Mr. Meese

Attached is a letter for Mr. Meese that was sent via my office from Mr. Earl Leonard. Mr. Leonard is Vice President of The Coca-Cola Company and a close, personal friend of Powell Moore. Mr. Leonard asked Powell and I to ensure that this letter gets to Mr. Meese, not lost in the mail room, thus the round-about way it was sent.
November 18, 1981

Mr. Edwin Meese, III
Counselor to the President
The White House
Washington, D. C. 20500

Dear Ed:

I thought you would be interested in some reactions and viewpoints which my associates from various Latin American countries have heard regarding the recent Summit Meeting in Cancun, Mexico.

- President Reagan came across as a man of great charm, ability and finesse. The Latins were immediately attracted to these attributes.

- A new healthier respect for the U.S. and President Reagan evolved principally from the President's ability to say "no" with charm and to press his philosophies with a smile.

- The President managed to dissipate the aura of the indifference or even hostility that Latin American nations used to perceive in Washington.

- As an aside and most importantly, since he has been in office, President Reagan has moved quickly to remedy relations with Mexico.

- Many Latins relished President Reagan's toughness towards Communism and there is now great optimism that peace and order will eventually be restored in El Salvador and Guatemala. Subsequently, Nicaragua will return to the fold provided that the U. S. continues to assert pressure in this area.

- Third World nations now privately agree that they really have only two choices ... "American Imperialism" or "Soviet Imperialism" and recent history has shown that most countries can prosper with the former but all come to grief with the latter.
What is needed is "an advertising campaign" that will promote Capitalism and not shove it down people's throats.

Regardless of the achievements or lack of them in Cancun, President Reagan categorically stated that he wanted to be a partner with the Third World and sit on the same side of the table with them... but ONLY through the philosophy of free enterprise.

There was a mutual consensus that a strong, determined "Uncle Sam" was back and that the U.S. would not tolerate being shoved around anymore. "Reagan must be re-elected" was widely voiced by many Latinos.

Dignity and awe reigned around the U.S. delegation at all times.

I pass along these observations for your private information, Ed, as I'm sure you're always anxious for feedback on important events such as the Cancun Meeting.

Kindest personal regards.

Sincerely,

Robert C. Goizueta

RCG:ig
SUBJECT: FWDS VIEWS RE VARIOUS LATIN AMERICAN COUNTRIES REACTIONS & VIEWPOINTS TOWARDS CANCUN SUMMIT MTG

ACTION: DRAFT REPLY FOR WH SIG DUE: 11 DEC 81 STATUS D FILES

FOR ACTION
STATE

FOR CONCURRENCE
NAU
TYSON
FONTAINE

COMMENTS

REF# 050961 LOG NSCFID (H/)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

Nau 6/28 Read state Draft Reply 1/30 FO, CT

Clark 3/5 For Decision 3/9

Mee 7/8 for signature

DISPATCH 7/19 2/8 W/ATTCH FILE WTF (C) 2005
MEMORANDUM FOR THE HONORABLE WILLIAM E. BROCK
United States Trade Representative

SUBJECT: Follow-Up to Cancun Trade Discussions

Cancun confirmed our expectations that trade liberalization could be moved to the center of the economic relations between industrial and developing nations. This shift of attention would be advantageous in both economic and political terms, provided the process of trade negotiations with and for the benefit of the LDCs were carried out in the GATT, so as to enhance rather than undermine the multilateral system. As you point out, only in the GATT can we and the LDCs realistically hope to have "global negotiations" on trade issues that get results. To the extent GATT succeeds in engaging the LDCs and expanding their access to markets -- in newly industrializing nations as well as the developed countries -- their interest in the bloc confrontation type of UN Global Negotiations will diminish.

As preparations for the 1982 GATT ministerial meeting and the subsequent negotiations proceed, I suspect that we will be urged by special pleaders to agree to a diffused and cautious agenda. We also may be tempted to exclude the LDCs from the real decisions. I understand that your Geneva deputy, Mike Smith, is alert to these pitfalls and determined to demonstrate to the LDCs that GATT offers them fair participation in the making of trade rules and the best means of dismantling obstacles to their trade expansion. He will need all of our support in holding to these objectives.

Richard V. Allen
Assistant to the President
for National Security Affairs
MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION October 30, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN BAILEY

FROM: RUTHERFORD POATS

SUBJECT: Cancun Follow-up: Preparations for "Global Negotiations" on Trade in the GATT

Henry Nau and I thought a brief follow-up note on the trade aspects of the Cancun discussion might help to assure that Brock continues to pursue our LDC strategy in the GATT. I tested with Brock's Geneva deputy the points expressed in the attached memorandum, and we seem to be on the same wave length.

RECOMMENDATION

That you sign the memorandum at Tab I to Brock.

Approve [ ] Disapprove [ ]

Thank you for your small amendment.

Attachments

Tab I Memo to Brock
Tab II Memo fr Brock, Sep 28, 81

cc: Henry Nau
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON
20506
September 28, 1981

MEMO TO: Richard Allen
FROM: William E. Brock
SUBJECT: Cancun

Thanks for the note. Our staff at USTR will strongly support your staff and the interagency committee preparing the background material and strategy for Cancun. We have a good story to tell in the trade area and we should ensure that developing countries, as well as other developed countries, recognize the enormous contribution the U.S. market has made in spurring economic development abroad.

You raised a question about the MFA and whether we consider it appropriate to bring that subject up at Cancun. First - yes we can hold firm on a rational MFA from the developing countries point of view. The United States is taking a leading, and moderating, role in the current MFA negotiations. This will continue. The EC and LDC positions on MFA renewal are in direct conflict and we are trying to bring the two sides together. As part of our position, we have proposed the elimination of the clause permitting rollbacks in LDC textile trade. This issue is of very major importance for developing countries.

In addition, we are proposing that the growth and flexibility of large quotas from Hong Kong, Korea, and Taiwan be limited, which would allow us to provide more favorable access for the small and new suppliers, particularly the least developed. We should be able to hold firm on this position, as the domestic industry and the Congress are on board, at least for now (despite occasional tremors). Important LDC participants have privately indicated their support for our proposal.

The main obstacle to renewing the MFA on this basis is the restrictive position of the EC. This is a serious problem which will require much additional work and intensive negotiation. Accordingly, I feel strongly that it would be hazardous and perhaps even counterproductive to introduce the subject at Cancun. At most we might refer to the conciliatory mediating role the U.S. has played, and will continue to.

You raised another question concerning the interests of the developing countries in the GATT Ministerial. The GATT Ministerial will focus on those issues of the 80's which can strengthen the international trading system. This will mean bringing into the system those trade and trade-related problems which currently are discussed and solved outside it. Likewise, it will mean integrating into the system those countries whose trading regimes still lie outside the discipline of the GATT. Any efforts which seek to unify and strengthen the GATT, therefore, must focus on developing countries, as you pointed out.

A practical look at trade confirms this opinion. Developing countries currently play an enormously more important role in world trade flows than they did a decade ago. LDCs provide the fastest growing market for U.S. exports; aligning their trade policies with the accepted norms of the GATT will increase our shipments and their growth even further.
We are making every effort not to cast GATT Ministerial discussions with developing countries in a North/South light. Not only would that be unrealistic, given the wide and growing differences among the economies of developing countries, but it would ensure that political ideologies, rather than economic policies, provide the backdrop for discussions.

We are concentrating our efforts on identifying issues for the Ministerial and its follow-up work plan which will be of special interest to developing countries, but which also provide GATT-wide benefits. Two obvious agenda items that satisfy these criteria are a strengthened discipline in the GATT process and the related subject of the use of safeguard actions. This latter subject could be expanded to include structural adjustment, an issue of long-term interest to the LDCs.

The central purpose of my 10 nation trip in Asia was to enlist them, particularly ASEAN, in support of a strengthened and liberalized world trading system. As my earlier memo stated, no nations have a larger interest in open markets than do developing countries. I am consciously embarked upon an effort to align us in common purpose with them. That's the goal, and we are making progress.

In sum, the only place where we can realistically hope to move toward open market regimes is in the GATT. These are the 'Global' Negotiations that will get results - and that is the bottom line.

Finally, we must recognize that efforts to include developing countries in the world trading system have to be sincere if they are going to be successful. Developing countries will have to play an important part in the preparation for the Ministerial if we expect the results to be sustainable.

Your support of our efforts is most appreciated.
MEMORANDUM FOR THE HONORABLE WILLIAM E. BROCK
United States Trade Representative

SUBJECT: Follow-Up to Cancun Trade Discussions

Cancun confirmed our expectations that trade liberalization could be moved to the center of the economic relations between industrial and developing nations. This shift of attention would be advantageous in both economic and political terms, provided the process of trade negotiations with and for the benefit of the LDCs were carried out in the GATT, so as to enhance rather than undermine the multilateral system. As you point out, only in the GATT can we and the LDCs realistically hope to have "global negotiations" on trade issues that get results. To the extent GATT succeeds in engaging the LDCs and expanding their access to markets -- in newly industrializing nations as well as the developed countries -- their interest in the bloc confrontation type of UN Global Negotiations will diminish.

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FOR THE PRESIDENT:

Richard V. Allen
Assistant to the President
for National Security Affairs
Memo at Tab I has been retyped w/the one minor RVA change & is ready for sig
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Comments:
TO ALLEN FROM BROCK, W

SUBJECT: RESPONSE TO D/R 307 RE CANCUN / MFA / GATT

ACTION: PREPARE MEMO FOR ALLEN DUE: 30 SEP 81 STATUS S FILES

FOR ACTION FOR CONCURRENCE FOR INFO
NAU WEISS

POATS COLSON
LENZ
BAILEY

COMMENTS ** URGENT PLEASE NOTE THREE HOUR TURNAROUND ON CABINET LEVEL

MEMOS **

REF# LOG 8105454 NSCIFID DR810307 (D/)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

Allen x 260 for signature

Dispatch W/ATTCH FILE (C) 4